

**Responses by The Honorable Darryl W. Jackson  
Assistant Secretary for Export Enforcement  
United States Department of Commerce**

**Before the U.S.-China Economic and Security Review Commission**

***Responses to Additional Questions from the Hearing on  
China's Military Modernization and Export Controls***

**April 7, 2006**

**Question #1:**

**Please provide information on the number of post-shipment end-use/end-user verifications completed for high performance dual-use computers shipped to China over the past five years. We are also interested in the ratio of completed verifications for high performance computers to the number of licensed exports of such computers to China during the past five years.**

**Response:**

BIS has conducted 113 PSVs in China since January 1, 2000. Forty of these PSVs were conducted on computers shipped after January 1, 2000.

BIS has received reports of twenty-two high performance dual-use computers shipped to China under a Commerce license since January 1, 2000.<sup>1</sup> Of those 22 computers, ten licensed shipments were for computers under 18,000 MTOPS, which is less than 10% of the current licensing threshold level. Of the 12 computers with measured MTOPS greater than the current licensing threshold level, BIS has completed PSVs on seven of them, another two PSVs have been conducted but require another visit to be considered complete (as the HPCs were undergoing installation testing), and two are requested and pending with MOFCOM. One shipment report was just recently received and BIS is in the process of sending a request for the PSV to the Beijing ECO.

**Question #2:**

**What is the number of export control officers actively stationed in China/Hong Kong? How much time do these officers spend traveling around China conducting post-shipment reviews and what obstacles have they faced?**

**Response:**

There are two Export Control Officers (ECOs) in China/Hong Kong, one in Beijing and one in Hong Kong.

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<sup>1</sup> Of the 40 PSVs conducted on high performance computers, 18 were performed on computers that were shipped under License Exception CTP and did not require an export license. Prior to March 20, 2001, computers exported under License Exception CTP were subject to a PSV. The remaining 22 computers were shipped under a license.

Our Beijing ECO spends the great majority of her time in the field. About 60-70 percent of her time is spent preparing for, performing, and reporting on end-use checks. She travels anywhere from three to six days a week to conduct end-use checks, and spends approximately 30-40 percent of her time traveling across China. Each trip involves many activities in addition to end-use checks, including training sessions, meetings with industry representatives, and factory and laboratory tours. During the trips, the Beijing ECO also cultivates contacts within the scientific, technical, and industry community, which enable her to obtain greater access to facilities and to gain greater understanding of technologies of interest. Likewise, our Hong Kong ECO spends a large amount of time in the field, performing all of the same actions as the Beijing ECO.

Regarding the obstacles the ECOs face, in China, the Beijing Export Control Officer is required by the terms of the End Use Visit Understanding (EUVU) to submit a request for each end use check to MOFCOM. Checks are scheduled by MOFCOM; the ECO has no control over when a check will be conducted. MOFCOM schedules the majority of the checks more than 60 days after the ECO's request, in violation of the EUVU. MOFCOM frequently gives the ECO only short notice that a check has been scheduled.

We are not aware of any obstacles faced by the Hong Kong Export Control officer in his performance of end use checks.